

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 9th October 2007 at 7.30 pm

PRESENT: Councillor Dunn (Chair), Councillor Detre (Vice Chair) and Councillors Baker (alternate for Councillor Mendoza), Butt, Jackson (alternate for Councillor Pagnamenta) and Jones.

Apologies for absence were received from Councillors Mendoza and Pagnamenta.

1. Declarations of Personal and Prejudicial Interests

Councillor Jackson declared a personal interest with regard to item 5, Revenue and Benefits Performance, in relation to his interest in Benefits interest, however he did not consider the interest prejudicial and remained present and took part in discussion with this item.

2. Deputations

None

3. Minutes of the Previous Meeting – 25th July 2007

RESOLVED:-

that the minutes of the previous meeting held on 25th July 2007 be received and approved as an accurate record.

4. Matters Arising

None

5. Revenue and Benefits Performance

Paula Buckley (Head of Client Team, Revenue and Benefits) introduced the report, stating that Council Tax in year collection performance for 2007/2008 had started well, with the latest collection rate of 57.58% as of the end of September 2007 being 1.41% above target and on schedule to achieve the 94.5% end of year target. Although part of this increase could be attributed to Direct Debit payments being reduced from 12 to 10 per year, collection performance had nevertheless improved and was likely to exceed the previous year's. Members heard that Direct Debit payees had increased to 37,488 by the end of August 2007, an increase of 3,977 from April, and the percentage of people paying through this method, 48.14%, was the highest recorded. A revised recovery policy implemented in 2006/2007 meant that customers with outstanding arrears from previous years would have their payments allocated to the current in year collection first, whilst previous arrears would be

addressed by seeking affordable repayment arrangements with the customer. Paula Buckley advised that the collection rate for 2006/2007 as of the end of September 2007 was 95.23% and it was likely that the end of year target of 96.25% would be met. However, collection rates for 2005/2006, 2004/2005 and 2003/2004 were unlikely to be met based on present performance figures. Members heard that £5.494 million pre-contract Council Tax arrears dating between April 1993 to March 2003 had been collected to date against a total debt of £18.925 million. However, Paula Buckley advised that a number of band reductions, including 37 issued this year up to 31st August 2007 had affected performance and this had represented a reduction of £57,500 by the end of September 2007.

Paula Buckley confirmed that 2007/2008 in year collection rates for National Non-Domestic Rates (NNDR) at the end of September 2007 was 58.48%, and although this was behind target, this was partly attributable to payments that were due from Wembley Stadium and it was anticipated that the end of year target of 98.6% would be met.

Paula Buckley then referred to the Improvement Plan, stating that bailiff held debts payment arrangements turnaround had been reduced from 6 to 4 months, thus providing other forms of recovery to be considered at an earlier stage. A scheme involving vehicle number recognition vans providing bailiffs with the ability to identify vehicles owned by those who have a debt with them to facilitate tracing of recoverable assets was being considered. The number of cases progressed to bankruptcy had increased to 31 and attachment of earnings also continued to increase, with an additional 174 set up since the beginning of April 2007. Meanwhile, the publicity campaign to raise awareness of the need to pay Council Tax promptly continued to run, with posters appearing at a number of tube stations over July and August and a repeat of this was being considered for January 2008. The Select Committee noted that Capita Offshore had gone live on 4th September 2007, where some Council Tax processing took place in India, resulting in contract savings of £40,000 per annum.

Paula Buckley advised that the recent postal strike had affected the processing of activities including summonses and late payment reminders, however any hearings regarding summonses had been adjourned to 6th November 2007 in order to allow additional time for cases to be resolved prior to this. Members were advised that the postal strike could also impact on the number of cheques received and on NNDR payments. However, all efforts were being made to ensure payments were processed on time and publicity campaigns had been launched promoting alternative methods of payment.

Margaret Read (Head of Revenue and Benefits) drew Members' attention to the Appendix A in the report with information on the Local Housing Allowance (LHA) to be introduced by the Government on 7th April 2008 as a new way of calculating new claims for housing benefit

of private tenants who rented. Margaret Read advised that the LHA would provide a flat rate allowance towards rent costs based on the area the tenant lived and the size of their family. In contrast to the previous scheme, payments would be made primarily to tenants as opposed to landlords. It was then explained to Members how the LHA was calculated, with each local authority divided into areas called Broad Rental Market Areas (BRMAs). The proposed BRMA that Brent would fall under included in an area comprising Hillingdon and other locations, and Margaret Read expressed concern that this would lead to the calculation of an unrepresentative allowance as a result. Therefore, representations would be made to the Department for Work and Pensions to revise the BRMA.

Margaret Read then referred to Appendix B detailing the Revenue and Benefits Anti-Poverty Strategy which had gone live following a review of the approach to debt collection. It was felt that the previous approach was sometimes too rigid and more focus was to be given to actively identifying vulnerable persons in both the Revenues and Benefits areas. Margaret Read drew Members' attention to the key commitments of the Strategy, stating that work was being undertaken during the autumn of 2007 to update potentially vulnerable records, including obtaining information on change of circumstances and ensuring that affordable payments could be agreed. Efforts were being made to boost benefit take-up by aiding customers in claims. Margaret Read commented that the strategy was an essential part of improving the area of Council Tax payments and would be closely monitored. The strategy would be reviewed on a yearly basis and feedback from Members was welcomed.

During discussion of this item, the Chair enquired at what stage pre-contract payments ceased to be pursued. The Chair sought details as to what extent the MOSAIC system, which provided socio-demographic information, was being used and whether information was shared with credit agencies. Councillor Detre sought confirmation that the Capita's activities in India were restricted to back office tasks and he asked how this had led to £40,000 savings. He requested that the Select Committee be informed of any such future contractual changes and he supported the ongoing publicity of enforcement actions in publications such as Brent Magazine. Councillor Jones enquired whether some demand for payment letters were sometimes too aggressive in tone and whether empty land was subject to Council Tax. Councillor Baker sought confirmation of the proportion of Council Tax payable in empty properties. Councillor Butt sought further information on recent orders of sale for properties, including how the process took and he asked whether NNDR payments were chased with regard to empty business properties. He also enquired how cases of severe hardships were identified. With regard to benefits, Councillor Jackson enquired under what circumstances had overpayments been made and had these always been offset by any entitlements that customers had. In considering vulnerable people, he asked whether it would be

permissible to liaise with the Pension Service and he sought further details on policy with regard to customers who were also on other benefits such as income support, including whether bailiffs would always be used once the debts had reached the appropriate stage. Councillor Jackson also enquired whether progressing cases to bankruptcy was a better way of ensuring payments in some situations.

In reply to the issues raised, Paula Buckley advised Members that pre-contract Council Tax arrears would continue to be pursued where there was still a chance of recovery and would only cease in situations such as where contact with the relevant person had been lost. Paula Buckley confirmed that the role of Capita staff in India was restricted to back office tasks and the Select Committee would be informed of any future contractual changes of this nature. With regard to the £40,000 savings, she explained that this was a result of a request to Capita to identify savings and these had been made by not renewing contracts of temporary staff, whilst there had been no loss of permanent staff. Members heard that more strongly worded summonses for Council Tax payments were only sent to customers who had not responded to either bill notifications or reminder letters and a robust policy for recovery remained in place, however flexibility was afforded to vulnerable people. Nevertheless, the 'won't payers' would be informed of the steps the Council would take to secure payment. Paula Buckley advised the Select Committee that the most recent order of sale of property involved a case where the Council Tax payment owed amounted to almost £5,000, and following court costs, the customer was required to pay over £11,000 to reacquire their property. Members noted that where the customer was in possession of property it was preferable to seek payments through charging instructions as opposed to pursuing bankruptcy.

Paula Buckley confirmed that as of 1st April 2008, apart from certain exceptions applying to charities, properties would be liable to pay for the whole Council Tax or NNDR bill regardless of whether they were occupied and letters would be sent to customers and landlords informing them of this change. The Select Committee noted that Council Tax and NNDR payments could only be requested from properties and not empty land.

Margaret Read advised the Select Committee that a publicity campaign was being planned in respect of the LHA and it had already been publicised at a recent Supporting People event. It was anticipated that changes would be implemented smoothly as they applied only to new claims. However, Margaret Read expressed concern that as rent was determined by supply and demand in the local area, that the flat rate set for the BRMA might not be representative. Representations from the Council were being made to ensure that the local market value was factored in to the allowance, especially as market values in other areas of the BRMA differed markedly from Brent's. Margaret Read confirmed that discussions with the Policy and Regeneration Unit were underway

with regard to identifying deprivation, pattern of arrears and benefit take-up amongst the Brent population and MOSAIC would be utilised. Members noted that bailiffs were not automatically involved where the cases involved vulnerable people and other factors, such as whether the property also contained non-dependents, would be ascertained before deciding on a further course of action. Margaret Read confirmed that where entitlements had been identified, these were always used to reduce overpayments. With regard to cases of severe hardship, these were determined by such factors including where other outgoings prevented customers from being able to pay and they were sometimes required to complete a Financial Assessment form.

The Chair welcomed further updates with regard to the LHA.

RESOLVED:-

- (i) that Capita's Council Tax and NNDR collection performance against contractual targets for 2007/2008 and the current forecast indicating contractual targets for in year Council Tax collection will be exceeded but arrears targets for 2003 to 2006 are unlikely to be achieved be noted;
- (ii) that the Benefit Service's current and projected "3" score for the 2008 Comprehensive Performance Assessment be noted; and
- (iii) that the financial importance of achieving the Local Area Agreement target for new applications in 2008/2009 (24 days) and the potential future need to prioritise this area of work over others noted.

6. **Progress on Delivering the Procurement Strategy**

Alison Matheson (Head of Procurement Strategy and Risk Management) introduced the report, stating that a Corporate Procurement Strategy was a requirement of the Government's National Procurement Strategy. Alison Matheson then drew Members' attention to the key functions, benefits of employing best practice procurement and linkages with partners that the Council's Corporate Procurement Strategy addressed as set out in the report. In terms of reviewing contracts, Members heard that the creation of category groups, that is a grouping of expenditure under the same category, would enable the Council to review and tender a contract for that whole area of spend, thus reducing the number of contracts and allowing greater standardisation of rates and formalising agreements. Alison Matheson advised that although the Council was seeking to encourage the use of local Black and Minority Ethnic and small to medium sized supplier bases, other procurement drivers were pushing in the other direction towards larger contractors and efforts were being made to address these opposing factors. Alison Matheson then highlighted the outcomes of the full implementation of the Procurement Strategy,

including:- sound management of procurement projects and high quality contract management procedures; detailed expenditure analysis and development of the Council's and West London Alliance (WLA) forward acquisition plans to allow for a more strategic approach to procurement activity; and obtaining lower prices and costs through economies of scale.

Alison Matheson highlighted the outlined the Corporate Procurement Strategy's 4 key themes:-

1. Providing Leadership and Building Capacity
2. Partnership and Collaboration
3. Doing Business Electronically
4. Stimulating Markets and Achieving Community Benefits

Alison Matheson stated that a number of projects were being undertaken or considered to achieve the key themes, such as the launch of a Government Procurement Card to reduce the number of invoices received and the roll-out of a number of e-solutions such as e-auctions and e-tendering, and the Supporting People Strategy which sought to rationalise the number of contracts whilst retaining market competition and encouraging small and medium suppliers and the Voluntary Sector to work with the Council. Meanwhile the Procurement and Risk Management Unit was providing expert procurement project management services for a number of key projects. A Forward Acquisition Plan had already been proposed for the Council and Brent was leading the way in developing a Forward Acquisition Plan with the WLA. The WLA procurement project of hiring agency staff was expected to produce direct savings of over £1million by the end of the project and it was anticipated that the participation in a pan-London e-auction for the procurement of specified IT hardware would result in savings of £500,000 over the period of the contract.

Alison Matheson concluded by advising on future actions that would be taken, including providing additional contract award and contract management training. The completion of the review of procurement policies, procedures regulations and guidance was to be undertaken. A more detailed analysis of expenditure and the development of a rolling review of strategically and operationally important areas of expenditure was also required. Finally, a Strategic Procurement Board would be established to review planned procurements identified by the Council's and WLA's forward acquisition plans.

During discussion by the Select Committee, Councillor Detre expressed reservations regarding e-auctions and the risks involved and queried what criteria was involved in participation of such schemes. He also enquired what steps were taken to encourage tendering from smaller organisations whilst fulfilling value for money criteria and what supply monitoring systems were in place. Councillor Jones requested further information at a future meeting regarding a recent change in

Government legislation encouraging the acquisition of services from organisations that supported disabled employment. The Chair enquired whether NVQ level qualifications were available in procurement.

In response, Alison Matheson advised Members that assisting smaller organisations in building capacity would increase their chances of obtaining contracts whilst providing the Council value for money, and some services were in any case more appropriate for smaller organisations to provide. Consideration of expenditure across all areas was being undertaken to ascertain the most likely type of service provider and Alison Matheson agreed that further information be provided on the contracting of organisations that supported disabled employment. She confirmed that WLA projects were subject to a uniform supplier monitoring system where approval by 1 member would provide approval for all WLA members. Alison Matheson advised Members that it was important to establish a sound specification when participating in e-auctions in order to obtain the right products. Duncan McLeod (Director, Finance and Corporate Resources) added that the only e-auction that the Council had participated in to date had gone well, with a higher specification obtained at a lower price.

RESOLVED:-

that the report and strategy be noted.

7. Brent Council's Performance Plan 2007/2008

Karin McDougall (Policy and Performance Officer – Service Improvement, Policy and Regeneration) stated that the Council was required to publish its end of year performance data against Best Value (BV) indicators, with the data for the latest report covering the year 2006/2007. Members heard that all figures quoted were actual figures and the report was in line with the Corporate Performance Assessment (CPA) guidance and the areas focused on reflected the themes of the Corporate Strategy. The report was also available on the Policy and Regeneration Unit's website. Karin McDougall then advised that of the 163 BV indicators, 81 had seen an improved performance, 20 had remained the same, whilst 55 had declined in performance. A further 5 BV indicators were new and therefore direction of travel was not applicable.

The Chair, in noting that BV119 (residents satisfied with museums/galleries), which the Council had performed poorly in, commented that this was seen as an inappropriate indicator for Brent and that discussion with the Audit Commission continued with regard to its relevance. He queried why the target for BV086 (cost of waste collection per household) continued to remain low despite the targets being easily exceeded in the previous 2 years. Councillor Jones

queried the diminishing targets for BV084a (number of kilograms of household waste collected per head of population) in view of the expected population increase. Councillor Detre asked whether the setting of BV indicator targets was required by law.

In reply, Karin McDougall agreed to investigate the queries made by the Chair and Councillor Jones. She advised Members that the setting of BV indicator targets was a legal requirement, although the introduction of the Comprehensive Area Assessment (CAA) in 2009 would mean a change to some of the BV indicators. She added that it was anticipated that the CAA would reduce the reporting burden as it was proposed that the number of BV indicators would be reduced to 200, although this issue was still very much under debate.

8. Performance and Finance Review – Quarter 1 (April – June 2007)

Duncan McLeod presented the report, stating that it had been considered at the September 2007 meeting of the Executive, with all recommendations agreed. He announced that the report to the meeting would incorporate more current information and efforts would continue to be made to develop reporting of this area. The intention was to combine performance activity and finance issues in the same report, with Finance and Corporate Resources and the Policy and Regeneration Unit working together to address issues and identify linkages. The report was also intended to show performance and finance issues in a wider context. Members heard that there had been considerable investment in 2007/2008 to address performance in Children's Social Care. Action was being undertaken to reduce and stabilise the overspend, with the overspend reduced from a forecast £1.859m in July 2007 to the present £1.121m. 'Invest to save' measures were being undertaken, which although would not show immediate savings, would produce savings in the future. Duncan McLeod then drew Members' attention to the budget figures for the service areas, stating that there was some pressure on the Children and Families and Housing and Community Care service areas. Turning to the Capital Programme, Duncan McLeod advised there was also pressure on some budgets, particularly for schools, in part due to essential roof replacements required for Fryent and Mitchell Brook primary schools.

During discussion, Councillor Jones commented that it was regrettable that the Mobile Library Service was to be cut as it reached a large number of service users. With regard to the CPA, she enquired whether Members would be involved in the monitoring of the Culture Block's performance. Councillor Detre indicated his preference that the report concentrate on the key issues and include less detail on less important areas, adding that areas where performance was suffering should be highlighted, along with areas where there had been a significant increase in performance. He suggested that where a service area has experienced a significant drop in performance, that

the report should include recommendations proposing a course of action. Councillor Detre also suggested that a summary of performance be included in the Revenue and Benefits Performance report. He requested that there be a reconsideration symbols used to indicate performance. Councillor Jackson felt that performance figures in some areas suggested that the Council performed worse than was the actual case was, for example areas where reporting of performance would be affected due to the Government's population figures for Brent differing from those of the Council's.

The Chair suggested that there be further consideration of how future reports were structured and that duplication of performance figures be prevented where possible. He suggested that the summary of the report include details on the information that would be provided, the areas and period that this information covered, the areas that the Council was required to report on and the areas that were optional.

In reply to Members' comments, Duncan McLeod advised Members that the monitoring of the Culture Block, and any Member role in it, was being considered and there had already been much discussion on strategy. He acknowledged Councillor Jones' concerns regarding the closing of the Mobile Library Service, however he advised that the decision was subject to consultation, whilst the funds saved if the service was closed would be reinvested in library building stock. With regard to the structure of the report, Duncan McLeod advised that the intention was for the main performance and financial aspects to be summarised in the main report, whilst the attached appendices provided performance and finance details of each service area. He acknowledged the suggestions made by Members and stated that updated proposals for the structure of the report come back to a future meeting of the Select Committee. Duncan McLeod also agreed that a summary of performance be included for the Revenue and Benefits Service and reports would not be necessary for all meetings, given the current stability in the service.

RESOLVED:-

that the report be noted.

9. **Performance & Finance Select Committee Work Programme**

Waste Management Contract Review

The Chair requested that information on how the Waste Management Strategy links with the Waste Management Contract and an explanation as to the bulky disposal waste charge be included in the report that would be considered at the next meeting. In addition, Councillor Jones requested that details of street cleaning performance also be included in the report.

Charges in Social Care

Councillor Jones requested that an update be provided on the recent increase in charges for Social Care at a future meeting of the Select Committee.

10. **Items Requested onto the Overview and Scrutiny Agenda**

None

11. **Recommendations from the Executive to be considered by the Performance & Finance Select Committee**

None

12. **Date of Next Meeting**

It was noted that the next meeting was scheduled for Wednesday, 28th November 2007 at 7.30 pm.

13. **Any Other Urgent Business**

None

The meeting ended at 9.25 pm

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Chair